

## Modernizing the Copyright Office to Promote Creativity, Innovation, Investment and Jobs

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Inventors, authors, and artists generate ideas that advance culture and society. They are inspired to cultivate those ideas into viable products that produce measurable value to consumers, gainful employment for workers, and financial benefits for owners and investors in the marketplace.

These creators are willing to take on the risk and costs of bringing their ideas to fruition because the law protects their intellectual property. Indeed, the Founding Fathers enshrined the importance of securing intellectual property rights in the Constitution as the best way to encourage creation, discovery, and distribution of those ideas to the benefit of individual liberty and the public good.

These protections are as important today as they were then, and they are just as important to women as they are to men. In fact, women contribute to every field of creativity and innovation, as evidenced by their increasing numbers within the ranks of creators. For instance, according to a 2014 Bureau of Labor Statistics report on women in the workforce, women comprise 50 percent of photographers. In 1983 that number was only 20 percent.

The contributions of women to the arts, film, music, science, and technology surround us. The <u>9.8</u> million women who own businesses in the United States generate \$1.4 trillion for our national economy, and much of their success is built on the ability to bring creative works to market. The creative economy has risen in tandem with women's contributions to the U.S. economy, now accounting for more than \$1.2 trillion dollars, or almost 7 percent of the U.S. economy, while employing more than 5.5 million workers. Therefore, a strong copyright framework and well-functioning Copyright Office, which administers that framework, will continue to foster opportunities for women to participate and prosper in the growing creative marketplace.

The Copyright Office was created in 1897 as part of the Library of Congress to administer copyright registration and recordation—a function placed in the Library only to provide copyrighted works for the Library's collection—and for the Office to provide impartial counsel on copyright policy to Congress, the courts, and other government agencies. And while that arrangement worked for over 100 years, today the Copyright Office is struggling to fulfill its mission because it lacks the autonomy to manage its own affairs and execute on its mission.

The reason the Copyright Office has been hamstrung has to do with its relationship to its landlord. Housing the Copyright Office in the nation's library may have been a convenient move at the time of its creation, but the demands of a 21<sup>st</sup> century marketplace coupled with the real challenges faced by the Library to fulfill its own mission have demonstrated that this arrangement has become outdated. These problems are well documented. The GAO released a 2015 report cataloguing numerous operational and leadership challenges within the Library. And as reported in the Washington Post, in September 2015 the Library's IT system crashed for over a week—taking the Copyright Office's systems with it—and "costing the office an estimated \$650,000 in lost fees and causing headaches for approximately 12,000 customers." Additionally, core functions of the Office such as registration and recordation are still not



digitized, causing unnecessary complexity when buyers and sellers of copyrighted works are trying to find each other and engage in commerce.

To address these challenges and more, the time has come for Congress to grant the Copyright Office the autonomy it needs to successfully execute its mission by removing the Office from the Library and making the Register of Copyrights a Senate confirmed, Presidentially-nominated position. The Office should also be given authority over its own staff, budget, and IT systems so it can implement the forward-thinking IT modernization plan published by the Office in February 2016. The common-sense plan would allow it become "lean, nimble, results-driven, and future-focused" so that it can meet the needs of its customers.

Digitizing the entire online database of registrations would save a female author the trip of physically searching through 60 million copyright registrations housed at the Library of Congress. She could search it from anywhere in the world. Better filing and easier searching of copyright registrations could also reduce the likelihood that creators would have their ideas accidentally or willfully lifted by someone else.

Modernization may also spur new business opportunities and marketplace activity. The database could become a go-to resource for would-be licensees to find authors and copyright owners that they want to work with. That removes a hurdle that many new and undiscovered writers face in trying to disseminate their work.

The Copyright Office's modernization plan makes good financial sense too. Only one third of the Office's budget is <u>funded</u> by taxpayer dollars, yet it supports a \$1.2 trillion industry – a return of over \$73,000 per taxpayer dollar spent. The plan will largely be funded by user fees and includes plans to take steps to keep costs low. The savings from lower transaction costs, reduced duplication, and greater efficiencies round out the benefits of the plan.

Congress is also on board with the effort to liberate and modernize the Copyright Office. Bipartisan consensus from the <u>House</u> and Senate Judiciary committees supports operational autonomy from the Library of Congress. This is uncommon in an age of bitter partisanship.

IWF supports this effort to remove the Copyright Office from the Library, and women will benefit from an Office better able to administer the copyright system that protects their work. Let's ensure that creativity, innovation, and economic growth are unleashed for our creators by giving the government agency that serves them the autonomy it needs.